

~~SECRET~~24289  
COPY 1 OF 1

February 6, 1958

CMCC Doc. No. 151x5.970

Copy 1 of 2

Page 1 of 1

Dear Dan:

In accordance with your instructions, we have canceled three each of the G and J racks and two each of the H and K racks for requirement two. Secondly, we have canceled one each of the C, E, F, G, J, M and N racks for requirement three.

25X1A

25X1A

25X1A

The reduction in cost resulting from the first cancellation is estimated to be [REDACTED] and the reduction from the second cancellation is estimated at [REDACTED], for a total reduction of [REDACTED]. All material 25X1A orders were canceled immediately, and wherever possible material was returned. The [REDACTED] material which could not be returned or canceled will be shipped [REDACTED] in accordance with your instructions. This material consists primarily of commercially available components, fabricated parts and partially completed chassis. We request your approval prior to shipment of a maximum of \$2,200 in costs which will be required to gather, prepare, pack, inspect and ship this material. 25X1A

We have purchased two Ampex Corporation FR114 units with record-reproduce heads and a 10 $\frac{1}{2}$ " reel x 1" tape, and one Ampex 350-3R unit with record, reproduce and erase head. We can return these units with the exception of the heads and the cabling and will incur a 15% restocking charge. The above cost estimates were made on the assumption that these units would be returned. However, if you would like to avoid the restocking charge and can use the equipment, it could be retained at an additional cost of \$8,236. We will delay the actual return of the equipment until we hear from you.

There were 59 record playback amplifiers involved in these two cancellations. Although costs of \$21,623 had been incurred in connection with this equipment, no charge is included since it is possible to utilize these for other existing requirements.

Sincerely,

25X1A

2/12/58

No action  
on \$ amount. D.H.

Sid

JSW:sb

This document contains information affecting the national defense of the United States within the meaning of the Espionage Laws, Title 18 U.S.C., Section 793 and 794. Its transmission or the revelation of its contents in any manner to an unauthorized person is prohibited by law.

~~SECRET~~

**25X1A**

**Approved For Release 2000/09/01 : CIA-RDP81B00878R001400030009-0**

**Approved For Release 2000/09/01 : CIA-RDP81B00878R001400030009-0**